

THE CAUSE
OF THE DECLINE OF REAL ESTATE,
IN THE
CITY OF CHARLESTON,

WITH
THE REMEDY FOR THE EVIL, BEING A SERIES OF
ARTICLES ORIGINALLY PUBLISHED IN THE EVE-
NING NEWS UNDER THE SIGNATURE OF
"FREE TRADE"

BY A CHARLESTONIAN.

"Every measure, which promotes internal circulation, is favorable to national wealth."—*Say: Political Economy.*

"Where business is doubled, the expense of management may not increase more than 25 per cent. or in some instances not at all. This is strikingly illustrated in the Passenger Trains, where the daily expense of the Trains may remain the same, though the Passengers, from the power of the Locomotive, may be even doubled or quadrupled, so that when a sufficient number offers to pay expenses, the fare of every additional traveller is clear profit, subject to no deduction."

COL. JAMES GADSDEN,

President of the S. C. Rail Road; Appendix to Rail Report. 1842.

CHARLESTON :
PRINTED BY J. B. NIXON, MEETING ST.

1847.

385

9C315

THE CAUSE OF THE DECLINE OF REAL ESTATE, IN THE CITY OF CHARLESTON.

No. 1.

Importance of Rail Roads. Results of high and low fare illustrated, &c. &c.

The people of South Carolina seem to be vitally alive to the importance of Rail Roads in the various sections of the State as a means of developing their resources, and all appear ready and willing to act except the holders of real estate in the City of Charleston, who view with apathy and indifference all the efforts that are about being made to bring to bear, upon their almost crushed resources, the invigorating influences of these modern regenerators.

This apathy and indifference have a legitimate cause which we will try to show in the course of the present communication.

The owners of real estate in the city of Boston who have gone into Rail Roads largely, are under the firm belief that the real estate in that city alone has increased full thirty millions of dollars,* being about the whole cost of all the rail roads in Massachusetts,† and that, *that* increase is solely to be attributed to their introduction.

Our experience, however, we are sorry to say, is just the reverse of that of Boston, and so far from any increase, real estate has fallen in this city within the last five years fully fifty per cent.

A very important question arises as to the reasons for this great difference in the operation of the same causes to produce such contrary results, and we think an examination of the facts in the case will at once show the origin of the evil and its appropriate remedy. It will be found then, that upon all the rail roads leading into Boston facilities are offered to every person to travel;—the fares are put down at the very lowest rates, and all without distinction, from the highest to the lowest in pecuniary resources, are carried at the same rate. There is no difference made between the man whose means will only allow him to purchase a single ticket at a time, and him who can afford to purchase them by the hundred.

The consequence is, every body travels on their railroads, and from everybody travelling they are enabled to pay their stockholders good

* Value of Real Estate in Boston in 1847—	\$97,764,500	
“ Personal “ “	64,595,900—	\$162,360,400,00
Value of Real Estate in Boston in 1841—	\$62,063,000	
“ Personal “ “	36,043,600—	98,106,600,00
Increase in the Real and Personal Estate of Boston, since 1841	- - - -	\$ 64,253,800,00

† Cost of all the Rail Roads in Massachusetts, say 707 miles	- - - -	\$30,244,927,00
--	---------	-----------------

dividends, while they accommodate the public, and benefit every portion of the community. But mark the opposite policy pursued by us. On our South Carolina road the rich man and his grown family are carried the whole length of the road, either to Columbia or Hamburg, for *one dollar the trip, or less than three-quarters of a cent per mile*, his children and servants *half that price or less than three-eighths of a cent per mile* cheaper than the cheapest rail road in the known world; while the poor man, who cannot afford to purchase rail road tickets by the quantity is charged nearly *seven times more*, or six dollars and seventy-five cents per trip. What is the consequence? Why very few people travel on the road, except they cannot possibly help themselves. Thousands of men, women and children in this city never were on a rail road, and the reason is a plain one—they cannot afford it, and they consequently stay at home. Throughout the whole region of country that the road passes the same difficulties present themselves—the *fare is too high*, and they stay at home.

Now need we wonder, under such a policy, that real estate in the business streets of this city has fallen 50 per cent, or that the whole retail business of the place is fast dwindling away?

Why surely not. See the result of this “high price policy for the poor man,” and “low price policy for the rich one.” The rich man will travel any how, charge what you may—the poor man cannot move, because you put it beyond his means.

Let us suppose a farmer to sit down and calculate where he can buy his necessities to the best advantage. He makes his purchases twice a year—in the Fall and in the Spring—and one with another will average about fifty dollars each to spend. He finds that if he decides upon taking the rail road, (and while seeing “the Queen City of the South,”) to make his purchases in Charleston, it will cost him full fifteen dollars expenses, leaving him but \$35 with which to obtain his necessities. He asks himself the question: Cannot I buy more goods in Columbia, or Augusta, or any interior town with fifty dollars than I can purchase in Charleston for thirty-five dollars? and the question is readily answered, assuredly I can. The farmer lays out his money in the country town—the rail road loses his travel, and the retailer in Charleston a customer.

Is it any wonder then, that the retailers of Charleston find, notwithstanding their rents have been reduced fifty per cent, they are still going behind hand, and must, if this system continues, call for a still further reduction—that whenever you talk to any man, holding real estate in Charleston, about subscribing to a rail road, he begins to show evident symptoms of alarm, as if you had made a proposition to him that would ruin him outright?

It is impossible for the retailers of this city to compete with those of Augusta and Columbia, while the rail road levies a tax of thirty per cent protection to the country storekeepers.

The remedy is a simple one—a reduction of fare, and uniform rates for all. Now as to what that reduction should be. It will be seen by what we have already said they carry some passengers now for three quarters of a cent per mile. We think that too cheap, and

would suggest a rate double of that—namely, a cent and a half per mile. At that rate we have not a doubt they would carry two hundred thousand passengers the next 12 months, instead of 64,000 which they carried the last year; and we can then hope to lay the flattering unction to our souls, that Charleston may yet become “THE QUEEN CITY OF THE SOUTH.”

No. 2.

Effects of low prices on Consumption: increase of travel by reduction of fare, &c. &c.

In our last article we stated that real estate in the business streets of the city, had fallen 50 per cent within the last five years, that, *that* reduction was to be attributed *to the high price of fare* on our Railroad, levying a tax of 30 per cent; which tax operated as an incubus on the retail business of this city; that—*that* department of trade was fast dwindling away, causing inevitable ruin to the holders of real estate, and that the remedy was, A REDUCTION OF FARE ON THE RAILROAD. We will now proceed to show the reasons for, and the advantages of this reduction.

Before entering upon this part of the subject however, we will give a few facts illustrative of the axiom held by the free traders, “that a reduction of price (by placing it within the power of the greater number) increases consumption in a greatly increased ratio;” in other words, that reduced fare augments travel, and increases trade.

In 1784, a reduction of duty of 33 per cent, was made in Great Britain on Tea; the consequence was, the consumption increased, on an average, taking the three years previous to, and after as a comparison, 270 per cent.

In 1839, the rates of admission to the tower of London, were reduced over 80 per cent, the number of visitors increased 750 per cent.

At the same time the stamp duty on newspapers was reduced, making a difference in price 20 per cent less, the increase in the circulation was fifty per cent.

A reduction in the advertisements duty of 33 per cent, increased the number of advertisements 65 per cent.

Many similar instances could be given. We will adduce but one more of the effects of a reduction on Railroads.

From a comparison made of the returns of ten Railroads in Massachusetts, viz: the “Worcester,” “Western,” “Providence,” “Taunton,” “New-Bedford,” “Fall River,” “Eastern,” “Boston and Maine,” “Lowell” and “Nashua,” taking the two years, 1845 and 1846, it will be found that a reduction of 5 per cent (on passengers and freight included) being made, the expenses were reduced $1\frac{1}{4}$ per cent, and the receipts of the road increased over 11 per cent.

On an examination of the passenger business that was done on the South Carolina Rail Road, in 1846, it will be found (see Annual Report for that year, Table 4), that the number of passengers carried

during the year, was 64,136, but this number it must be borne in mind, was not carried at five cts. per mile. By reference to the monthly list of passengers, it will be seen that in the month of April, they carried eleven thousand two hundred and sixty-one passengers more, than the average of the other eleven months.

These *extra* passengers were obtained by the Rail Road building a house and giving land to the Methodist denomination to hold their annual camp meeting. Not one of these passengers would have been obtained at the five cent price, for that price would deprive many of their members from attending, and the meeting would have been held elsewhere. The charge was therefore reduced to *three cents per mile* on that occasion, which accounts for the great increase.

So when we deduct this amount we find the number of five cent passengers including the one hundred and fifty ticket purchaser who travels *at three quarters of a cent per mile* was but 52,875, up and down, equal to 26,438 persons,—not the population of Charleston and its suburbs !

But say some, this is doing remarkably well ; we are not a travelling people. We acknowledge we are not a Rail Road travelling people at home, *because the fare is too high.*

Let any one acquainted in the State note the number of South Carolinians travelling in the Northern States as we have done, and he will change his opinion about their not being a travelling people.

To form some idea of the amount of Rail Road travelling in other places, look at the returns of some of the Rail Roads.

In England with a population of sixteen millions, (where there are millions of operatives, hundreds of thousands of paupers and of domestics who are about as free to travel as our negroes,) the number of passengers booked in 1845 was 33,791,253—nearly thirty-four millions. or more than double the number of all the men, women, and children, in the whole of England.

The population of Massachusetts is less than 800,000. The number of passengers carried on her roads the last year was over four millions—4,062,934,—or more than five times the number of men, women, and children, in the whole State.

But it will be said—Ah ! but the people of Massachusetts are a travelling people.

Well, let us see how long they have been so.—When the Boston and Lowell Rail Road (opened in 1835) was projected, the friends of the enterprise estimated the number of passengers they would carry per annum at 37,500. The idea was ridiculed. In the year 1846 they carried on that road 400,886 passengers.

The projectors of the Boston and Worcester Road estimated the number of passengers they would carry at 23,500 per annum. The number carried in 1846 was 470,319.

On the Eastern Road the estimated number of passengers to be carried was 121,700. The number carried in 1846 was 786,756.

On the Fitchburg road, built on a speculation by the merchants of Boston, who had all the experience of what other Rail Roads had done up to the year 1845, (the road was opened March, 1845,) the

estimated number of passengers to be carried per annum was 72,000. The number carried in 1846 was 327,034.

So we see from this, it has only been lately found out that the people of Massachusetts are a travelling people.

With these facts before us, are we extravagant when we say that with a reduction (*equal to double the price* now charged those who can afford to purchase one hundred and fifty tickets, and *as much* as is now charged the purchaser of twenty tickets, viz TWO DOLLARS,) the number of passengers would be increased to two hundred thousand.

In our next we shall show where the people are to come from, and the effects of their coming upon the prosperity of Charleston.

No. 3.

Answers the question—where are the passengers to come from, if the S. C. Rail Road lowers the fare to Two Dollars through?

In our last we stated, that the S. Carolina Rail Road, at the reduced fare we proposed, would command a travel of TWO HUNDRED THOUSAND PASSENGERS, and promised in our next to show where they were to come from, and the effect of their coming on the prosperity of his city.

We now propose to make good that promise. We will remark, however, in the outset, that upon this first part of our showing hinges the whole controversy between the advocates of a high and a low fare.

It would be the sheerest nonsense in the world to talk of a reduction of fare, if there was not a population to take advantage of the facilities offered : on the other hand, it is good common sense to call loudly for it, if we *know* there is a population on the line of road, and near it ; one tributary, and one contiguous to it, sufficient, not only to overcome the reduction which we have proposed, but, in reality, to increase its nett income. With these remarks we will proceed to give

1st. The statistics of the *white* population of those districts on the line of, and near the road.

2nd. The *white* population of those districts in our State that may be considered tributary—or one source of the through travel.

3rd. The *white* population of those counties in Georgia which (by rail roads in their State) may be said to be contiguous to the South Carolina Road ; or another source of the through travel.

To facilitate the detection of any error which may be supposed to exist in our statement, we will give the names of the districts mentioned under our first head, separately, with the amount of their *white* population.

<i>Districts</i>	<i>white pop'n in 1840.</i>	<i>Districts</i>	<i>white pop'n in 1840.</i>
Colleton,	5,874	Fairfield,	7,587
Barnwell,	10,533	Newberry,	8,208
Orangeburg,	6,321	Edgefield,	15,020
Lexington,	7,401	Darlington,	7,169
Richland,	5,326	Chesterfield,	5,537
Sumter,	8,644	Lancaster,	5,515
		Kershaw,	3,988

Total white population in 1840, 113,643

To this add those districts in our own State which, under our 2nd head, we call tributary, viz: Abbeville, Laurens, Union, Spartanburg, York, Chester, Anderson, Greenville and Pickens, containing whites 107,973

And then the Counties in Georgia under our 3d head, viz: Richmond, Columbia, Warren, Wilkes, Oglethorpe, Clarke, Hancock, Taliaferro, Greene, DeKalb, Morgan, Walton, Newton, Burke, Jefferson, Lincoln, Franklin, Elbert, and Jackson, containing whites, 85,577

Total white population in 1840, 307,193

Thus we have the elements for our calculation. Now let us see if we cannot make out our case.

According to the annual report of the South Carolina Rail Road for 1846, (table 4,) we find that in the month of April of that year, they carried eleven thousand more passengers than they did on an average of the other eleven months. These *extra* passengers were carried in the course of ten days, (being the period of time in which the Methodist denominations held their annual camp meeting,) and at a charge of 3cen s per mile for whites.

Now, we ask, if in ten days, at 3 cents per mile for whites, (the distance being 16 miles and the charge 50 cents,) and for an object in which only one denomination were specially interested, (persons going a gunning at that period, or for any other object, we understand, were charged the regular price, 5 cents per mile, or 87½ cents the same distance,) is it not reasonable to calculate, that, during the whole year, with the allurements of business, pleasure, and for those who prefer it—attendance at camp meetings, an amount equal to twice the white population of Charleston and the Neck, would be induced to travel, especially when it is remembered that the cost is not to exceed ONE AND A HALF CENTS PER MILE, or one-half of what was charged to the camp meetings?

If so, this will give us 16,470 \times 2.

32,940 coming and going—passengers, 65,880

Again, let us take the periodical migration from New-Orleans and Mobile to the North, the number of country merchants from Louisiana, Mississippi, Alabama, Georgia, Tennessee, and North Carolina, either on their way to New York

for supplies, or to our city, and, making a very low estimate, say twenty thousand each way—coming and going—and we have, - - - - - 40,000

And, to make up, from a population of upwards, at the present time, of three hundred thousand whites, our balance, we calculate the head of every family would be induced to visit us, on an average, once during the year, the three hundred thousand whites, calling five to the family, would give us 60,000 heads of families, coming and going, and we have - - - - - 120,000

Number of passengers, up and down, for twelve months, 225,880

We have purposely omitted taking into our calculation either black or colored. We have been told, however, that it was quite an interesting sight, last April, to have observed the decent and orderly manner of thousands of colored and black persons seated in the cars, on their way to the camp meeting, and we could have added to our list by taking them into the account.

We have thus attempted to show from whence, at a low rate of fare, the passengers were to come. We will now proceed to the next branch of our inquiry, and show the effects of their coming upon the prosperity of Charleston.

The counties in Georgia which we have named are very productive, and contain an active and enterprising population; the furnishing of whom with supplies, would give an immense increase to the retail business of our city.* Up to this time—and we have made diligent inquiry in King street—no portion of that trade has yet reached them.

We have collated, from the statistical returns made to the United States, for the year 1840, the production of three leading articles in these counties—viz: Wheat, Corn and Cotton—and we find they produced

533,548 bushels Wheat,
5,898,353 do Corn.
126,000 bbls. Cotton of 400 lbs. each.

Now as an approximation to what their custom would be to the retailers of our city, we take the population of 1840—85,000 whites, and divide by five, and we will have 17,000 families; each family purchasing from us annually 100 dollars, would give us a trade of \$1,700,000.

Let us see what effect this would have first upon King street.

By reference to the return of sales for 12 months, ending 1st of April last, we find that 84 retail houses in that street, commencing from Boundary street down to Horlbeck's Alley on the one side, and from Clifford street up again to Boundary on the other, sold \$1,742,294. This additional increase of business, amounting to 100 per cent, would bring competitors—they would want stores—competition for

* Georgia increased her population 12 per cent in five years, comparing the United States census of 1840 with the State census of 1845, and the greatest increase in the State was in her northern parts in the vicinity of her rail roads. We have only given the white population of 1840.

stores would advance rents ; rents advancing in King street, would act upon Meeting street, which would again re-act on Hayne street. The Hayne street merchants not being able to hold the empty houses in King and Meeting-streets, interrorem to the eyes of their landlords, they would have to stand an advance of rents or look out for some other place—thus this additional retail trade would advance real estate in all the business parts of our city.

Again. What would be the effect upon the value of the hotels—the Charleston, Pavilion, Victoria, Planters, &c., &c. The Rail Road last year, brought them an average of 70 boarders per day. Under a low rate of fare, bringing the number we calculate, and deducting those going from their homes in the city and returning, would give 80,000 boarders per annum, or nearly 220 per day !

That a low rate of fare would increase travel,—stimulate trade,—advance real estate throughout the city, cannot well be doubted, by any one, who will give himself the trouble, to examine the facts in the case, the question comes—can we, in justice to the stock-holders of the Rail Road, ask this reduction ? Which question we will endeavor to answer in the affirmative, in one of our future numbers.

In our next we will give proof of the great fall of real estate since 1840, and trace the evil to what we consider its legitimate cause—Rail Road legislation.

No. 4,

Gives the proof of the fall of real estate in Charleston, and traces the evil to its legitimate cause, Rail Road Legislation. Shows that the policy adopted by the South Carolina Rail Road Directors has crippled the Company, while it has imposed an unnecessary tax of Two Hundred Thousand Dollars per annum upon a portion of the people of South Carolina.

In our last, we promised to show the great fall of real estate, in the business parts of this city since 1840, and to trace the evil to its legitimate cause—RAIL ROAD LEGISLATION.

We will now take up the first branch of our subject, and go on to give the proofs. We do not pretend to give every house, but will take only those neighborhoods in King street, which are looked upon as the best location, commencing at George street and going down to Market street. If we were to go, either above George, or below Market streets, the fall would be the more striking.

To proceed—Between George and Society streets we find a house that rented in 1840 at \$800, was reduced in 1841 to \$600, in 1842 to \$500, in 1843 to \$450, at which it now stands. Another in the same location rented in 1840 at \$900 annually reduced till 1843 to \$450, the present rent. From Liberty to Wentworth street we take two houses, the one renting in 1840 at \$1200, in 1841 at \$1000, and in 1842 at \$800, at which it now stands—the other rented in 1841 at \$1000, in 1842 at \$800, in 1843 at \$700, the present rent. From

Wentworth street to Beaufain we find rents in 1840 \$600, annually reduced till 1843, to \$400, the present rate. From Hasell to Market street, we have a number of instances. We cite two—one renting in 1840 at \$1000, in 1841 to \$800, in 1842 to 600, the present rent. Another renting in 1840 at \$1500 reduced at various times to what it now stands, \$900.

This we conceive is enough for that street. We have purposely omitted giving any instances in King street where the occupant being a wholesaler had removed, and given place to a retailer. Had we have done so, we could have given a few like the following—house rented in 1840 at \$2200, now renting for \$850—another rented in 1840 at \$18,00, now renting for \$600.

We will now go into Hayne street. This property consists of 23 houses, of which 20 are occupied. They do exclusively a wholesale business. It is owned—a few exceptions only—by one company, and the rent of one is a fair criterion for all. We find then, in that street, rents have receded from \$1600 in 1840 to \$1400 in 1841, \$1200 in 1842, \$1100 in 1843, and \$900 in 1844, at which they now stand.

On East Bay, among the commission merchants, whose principal business is the city trade, we find a fall in rents, as follows: \$1500 in 1839, \$900 1843, \$850 in 1845, \$750 in 1846, and would not now rent for over \$700.

With dwelling houses we find a much greater reduction in rents, and we have come to the conclusion, “as a fact of general application,” that this city has lost much valuable trade, by some means or other, since 1840, and this leads us to the second branch of our subject, which is, to trace this fall to its legitimate cause—RAIL ROAD LEGISLATION.

Now, in order to show that “Federal legislation” had nothing to do with it, we will remark that the compromise act was passed in 1833, to run for ten years, by which successive annual reductions were made in the Tariff, so as to arrive at the end of that time—viz: in 1843—to what was agreed upon, by all parties, as the revenue standard. This act was kept in good faith, and did not cease to operate till 1843; before which time the fall in real estate in this city had taken place. So, Federal legislation cannot be made to father the great fall in real estate which took place from 1840 to 1843.

Besides, from the Custom House returns of imports into this city, it will be found that from the passage of the compromise act, in 1833, the amount of imports gradually increased, until, from some cause or other operating on Charleston, in 1839 and '40, a fatal blow was given to our importing business, from which it has never recovered, but has annually dwindled away, until in 1845, (the latest date we have at hand,) it was lower than it has ever been, since the termination of the last war with Great Britain in 1815.

We annex a table from 1832 to 1845:

IMPORTS INTO CHARLESTON.

1832	\$1,213,725	1837	\$2,510,860	1842	\$1,349,465
1833	1,517,705	1838	2,318,791	1843	1,294,708
1834	1,787,267	1839	3,086,476	1844	1,131,516
1835	1,891,805	1840	2,058,870	1845	822,602
1836	2,806,331	1841	1,557,431		

The question returns upon us what was the cause? We contend, that the cause was a prohibitory tariff, imposed in 1839 and 1840, by the direction of the South Carolina Road upon the farmers, whose channel of intercourse with our city, was *their* Rail Road; which tariff prevented them from trading with the city, and forced them to trade in the country villages, by giving the country merchant a protection of from 25 to 40 per cent, to the detriment of the interests of the State and of the city hundreds of thousands of dollars annually; and to the injury of the Stockholders of the Rail Road Company, one hundred thousand dollars per annum.

As we will have to make reference to the Rail Road returns, we give a table:

<i>Years</i>	<i>Rate per Mile.</i>	<i>Number of Passengers.</i>
1838 - - -	5 cents. - - -	44,487
1839 - - -	7½ " - - -	37,283
1840 - - -	7½ " - - -	29,279
1841 - - -	6 " - - -	35,141
1842 - - -	6 " - - -	33,925
1843 - - -	6 " - - -	37,740
1844 - - -	5 " - - -	54,146
1845 - - -	5 " - - -	56,785
1846 - - -	5 " - - -	64,136

It will be found by the above table that in the year 1838, the rate of passenger fare was five cents per mile.

The Directors of the Road never considering that the rates were *too high*, but thinking every body came that could come, *in such a sparsely populated country*, increased their rates of passage 50 per cent, and continued that enhanced fare for two years. The consequence was, those, and those only travelled the Road that could not help themselves, at that particular time, and the number of passengers fell off the first year 16 per cent. The second year of the seven and a half cents experiment, gave them an additional decline of 20 per cent from the previous year, and the policy was partially abandoned. They found they had taken the wrong track, and began to go backwards. Instead of coming right down below the five cent point, (at which, experience had taught them, they could not get along,) they came down gradually to six cents, which they continued for three years,—then to the five cents, at which they now remain, except on *extra* occasions, and for particular purposes. What has been the result?

If we examine the Rail Road returns, we will find the increase of passengers, at 5 cents per mile, from 1838 to 1846 inclusive, has been at a snail's pace of *less than two per cent per annum*. Now the extension of the Georgia Rail Roads, it would reasonably be supposed, should account for more than *that* increase, and we are therefore warranted in the conclusion, that so far from any increase of passengers from South Carolina, there is abundant reason to believe a very great

* During each of these three years upwards of ten thousand passengers were carried, within ten days, at a fare of two and three cents per mile for whites.

decrease has taken place. If the extension of the Rail Roads leading from Augusta, from the year 1838 to 1846 inclusive, has not increased the travel on the South Carolina Rail Road, in an exceedingly greater degree than TWO PER CENT PER ANNUM, then all hopes that any further extension will materially benefit *that* Road, should be given up as delusive!

If, however, on the other hand, it has greatly *increased* the travel, then the passengers from South Carolina have *decreased* to an alarming extent, our position is sustained, and the sooner the present high price system is abandoned, and the low price is substituted, the better for THE RAIL ROAD, THE CITY, AND THE STATE.

When the passenger rates were increased, whom do you suppose were prevented from coming to the city; the country merchant whose purchases of thousands of dollars were increased by the Rail Road fare about one per cent,—or the farmer, who purchasing on an average about fifty dollars, would be saddled with a tax, in the shape of a Rail Road fare of 40 per cent?

This prohibitory tariff has built up, in many of the villages in our State, mammoth establishments; which being nurtured by the fostering hand of Rail Road legislation, have monopolized the trade of that portion of the State, whose channel of intercourse with our city is the Rail Road, and has built up, *at the expense of the many*, fortunes for a few country storekeepers, and their Commission Agents in this city.

But it will be said what is the difference to the city, provided the same amount of goods are sold? We answer—a great difference, as we shall show, by giving an illustration, between the sales made by the wholesaler, and the same amount sold by the retailer.

The Hayne street merchants, for instance, sold the last year, merchandise to the amount of \$2,800,000. They occupied 20 stores, kept in employment 120 persons, and paid a rental of \$18,000.

The same amount of goods, sold at retail, taking the average of King street as a criterion, would require, 140 stores, 420 persons, and pay a rental of \$56,000.

This increase of the retail trade, would enhance the value of real estate, throughout the city, to an extent that would add very considerably to the income of our city, and eventually *free her* from all her embarrassments.

NO. 5,

Examines the question and answers it in the affirmative, giving the proofs. Can the Directors, in justice to the stockholders of the South Carolina Rail Road Company, reduce the fare and freight? Probable reason why they do not do it at once, given.

In our last we gave the proofs of the great fall in real estate in the business parts of this city, and traced it to its legitimate cause—Rail Road legislation. We proceed now, as we then promised, to answer this question in the affirmative: Can the Directors, in justice to the

Stockholders of the South Carolina Rail Road, reduce the fare to the point we named—viz : TWO DOLLARS THROUGH ?

We will, at the same time, show that the rates of down freight can be materially reduced with benefit to the Company.

To place the matter in a clearer light, we will first give our estimate, and then proceed to show the grounds upon which that estimate is founded.

ESTIMATE FOR DOWN FREIGHT.

350,000 bales of Cotton, at 50 cents per bale,	-	\$175,000 00
1,000,000 bushels Grain,—viz : Corn, Wheat, Peas, and Rye,—at 5 cents per bushel,	- . . .	50,000 00
200,000 bbls. Flour, at 25 cts. per bbl.	- - -	50,000 00
Miscellaneous articles—such as Pork, Bacon, Lard, Live Stock, Southern Domestic, Leather, Hides, Feathers, Hay, Iron, &c.,	- - - -	50,000 00

UP AND UP AND DOWN FREIGHTS.

Up Freight, say, same as down Freight,	- - -	325,000 00
Mails,	- - - -	40,000 00
225,000 passengers, at an average of \$1 25,	- - -	281,250 00

Total gross receipts,	- - -	\$971,250 00
Deduct interest on Sterling Bonds, the same as paid last year,	- - - -	108,530 00
		<hr/> \$862,720 00

Deduct current expenses—say 53 per cent on gross receipts,	- . . .	514,700 00
---	---------	------------

Nett profits,	- - -	\$347,960 00
Or, 10 per cent, to divide on	-	\$3,300,000
Viz : South Carolina Road,	2,600,000	
Camden Branch,	- - 700,000	

Now for the grounds upon which our estimate is founded. Without taking into account the additional Cotton that would seek this channel to reach the seaport, by the low passenger as well as freight fare, (which we would be fully justified in doing, as Georgia produces one-fourth the average cotton crop of the country,) we will just assume that the South Carolina Road will get what now comes to Augusta, Columbia and Camden.

Augusta and Hamburg received the last year, about	200,000 bales.
Columbia, on an average, receives	100,000 “
Camden, and its neighboring landing,	50,000 “

Making, at once, our estimate of 350,000 bales.

Independent of this, the South Carolina Road brought upwards of 20,000 bales Cotton on the way route in 1846, and the reduction in freight will bring a large amount of Cotton on this route which now seeks a market by boats. We claim all the Cotton now received at the termini, (Augusta and Hamburg, Columbia and Camden,) because, at 50 cents per bale, no opposition by steam or other boats need be

feared ; it will, at once, paralyse all opposition, and secure the whole Cotton carrying trade.

Our next item is Grain, viz : Corn, Wheat, Peas and Rye, and to any one that knows what a grain producing country the upper part of Georgia is, the estimate would be considered very small ; for we can name counties in and near the line of Rail Road from Augusta to Dalton, that produced in 1840, five millions of bushels of Corn alone, so without calling upon Tennessee or our State for a single bushel, our compliment is made up with this single article. As an instance of what Tennessee could do, at a low rate of fare, we will state, (and we have it on good authority,) that one hundred thousand bushels of Corn was bagged, with the intention of sending it to our market this season, when the owners of it found out, that the South Carolina road in combination with the Georgia roads, had (after publishing to the world in October last, that they would carry Corn and Wheat at 21 cents through,) raised their rates $33\frac{1}{3}$ per cent, or to 28 cents through, without giving a particle of reason for the change. Is this the way to get the custom of the growers of Grain in Georgia and Tennessee, and induce them to give implicit confidence to the published rates of chartered incorporations ?

The price of Corn in Baltimore, from 1840 to 1845 both inclusive, when its value depended chiefly on the home demand, averaged fifty cents per bushel. With the certainty of a steady demand hereafter, (a writer in the Westminster Review for October, 1846, thinks that the demand for Great Britain alone, in the course of a few years, will be *five times* greater than that for Wheat,) that price can with some degree of certainty be depended upon as the minimum price, and the old rates through, viz : twenty-one cents, without variation, would enable the roads to depend upon the freight of at least one million of bushels *now*, finding its way to the Charleston market alone, with the prospects of a very great increase hereafter.

This rate of freight the South Carolina and the other Georgia Roads should immediately adopt, if for no other reason, than as an atonement, for what certainly must be looked upon as an implied breach of faith on their part, by the increase of their rates on the 1st March last.

Our next article is Flour. Georgia and Tennessee could furnish us the quantity if necessary, without looking either to Camden or Columbia for a single barrel.

Under our miscellaneous head we have been so moderate, that we do not think it necessary to go into particulars.

Our next item is up freight !

When it is remembered that almost every dollar of the down freight is invested in produce to be returned to the country, that the steamboats not being able to compete with the rail road for the down freight, will have to abandon the business, by which all the up freight they formerly carried will be driven to the road ; our estimate, we think, is within bounds : besides, it will be found by reference to their statements, that what the down freights have produced the South Carolina Road for the last three years, the amount of their up freights have equalled.

The mails is a matter of certainty, and for the 225,000 passengers, we must refer to our article No. 3, and which is devoted exclusively to the consideration of that question.

We cannot, however, pass over this subject without meeting an objection that is generally urged, and upon which great stress seems to be laid, viz: that the Rail Road, cannot afford to take passengers at the price we named, that is, at the rate of two dollars through. Should we admit the charge, it would follow as an inference that the Rail Road, in carrying *rich* men, as they do at present, for ONE DOLLAR THROUGH, absolutely allow a gratuity to the rich for travelling on their road, and that gratuity is precisely the difference between what they can afford to, and the price at which they do carry them.

But the impression that they cannot afford to carry passengers through for two dollars is an erroneous one, and we shall show it, the South Carolina Rail Road Company's statements being our witnesses in the case. We will first remark that a train of 300 passengers with their baggage will weigh about 30 tons, which is about one-fourth of the load of a fifteen ton engine on the South Carolina Road.

By reference to the report of the Auditor of the South Carolina Road for 1846, (tabular statements No. 6 and 7,) it will be found that the cost, including every expense from the salary of the President down to the most trifling item, for each mile run on the South Carolina Rail Road, in 1846, was about 90 cents,—consequently to run the whole distance of the road either to Hamburg or Columbia, would be 136 miles, at 90 cents, \$112.40—one hundred and twelve dollars forty cents for the trip. Now whether they carry ONE passenger or THREE HUNDRED, the difference in expense would not be materially altered, so that settles the question at once, they can afford to do it—for the first hundred passengers they carry, at *our* rates, more than pays their expenses—the balance is all clear profit.

The current expenses, we have put down at 53 per cent of the gross receipts, which was the proportion the last year on their road, This allowance is very liberal, for we find the current expenses on the Western Rail Road of Massachusetts for 1846, was but 47 per cent—if they would only give the difference in salaries to their clerks, we think the South Carolina Road would act wiser, and be the better served for it.

We have thus got through with the grounds upon which our estimate is founded, and it will be seen that we make a dividend of ten per cent per annum.

With this material reduction in rates, the Company should abolish their INSURANCE GUARANTEE, a risk undertaken by them, which admitting they have the *legal*, they have not the *moral* right to assume; for they have not any SURPLUS CAPITAL to meet the contingency of a heavy loss, while they take single risks to an amount that no Insurance Company in the United States, with a million of dollars of paid up capital, could feel themselves justified in taking. This policy while continued, will always operate as an incubus on the stock of the Company, for prudent men are not apt to seek hazardous risks as a permanent investment for *their* surplus capital.

Now it may be said—Admitting your data to be correct, and that the stock invested instead of being a contingent (and we use the word contingent because the liability of the Company, as insurers, may absorb every cent of the dividends for years) $5\frac{1}{2}$ per cent stock should become a safe 10 per cent one,—is it not clearly the pecuniary interest of the Company, *at once*, to bring the fare and freight down to that point which would as early as possible effect such a change?

We answer, looking to their pecuniary interest *alone*, it may not be, and for the proof, we refer to the proceedings of the Stockholders of the Road at their annual meeting in February, 1847. At page 12, we find the following resolution, which was referred to the Board of Directors of the Rail Road with authority to act.

“*Resolved*, That the President, or a Committee from the Board of Directors, be instructed to treat for the purchase of the entire stock held by the State, and that they be authorised to give par for the same, if it can be obtained on a credit; the interest of which not to exceed five per cent per annum.”

Looking to the *pecuniary* interests of the stockholders, would the Directors be likely to do anything, *at present*, to advance the price of a stock, which they are authorized to treat for with the next Legislature, *AT PAR*, and *ON A CREDIT* too, at an interest not to exceed five per cent per annum? Certainly not.

See what a splendid operation it would be if they could only manage to carry it out,

The stock being obtained from the Legislature, say on a credit of two years, and the low price policy adopted with the abolition of their liability as insurers, the Company would be enabled to declare an annual dividend of ten per cent before the expiration of the credit, and sell the stock at an advance of fully fifty per cent—thus putting into the funds of the Company the snug sum of **THREE HUNDRED THOUSAND DOLLARS**.

Now, should they *at once* reduce fare and freight, all hopes of obtaining the stock held by the State, at par, and on a credit too, would be blown to the winds. The stock [if the interests of the State were consulted] should be held for twelve months after a reduction of fare had been in operation and fairly tried, and then sold in small parcels for cash to the highest bidder at public auction. By this means, the State of South Carolina would be partly recompensed for the fostering care she has always manifested toward her adopted and petted child—the South Carolina Rail Road.

We have now closed our articles for the present. We will state in conclusion that our only object has been to promote the interests of our native city, and make her at once, what she is destined by the revolutionary aid of Rail Roads yet to be, “**THE QUEEN CITY OF THE SOUTH.**”

FREE TRADE.



3 0112 072423038